

with this statutory authority, the contract between DCS and DOE contains the following standard "Nuclear Hazards Indemnity Agreement" from the Department of Energy Acquisition Regulations (DEAR 952.250-70), which fully indemnifies DCS and its subcontractors up to the statutory limit of liability:

"(d)(1) Indemnification. To the extent that the contractor and other persons indemnified are not compensated by any financial protection permitted or required by DOE, DOE will indemnify the contractor and other persons indemnified against (i) claims for public liability as described in subparagraph (d)(2) of this clause; and (ii) such legal costs of the contractor and other persons indemnified as are approved by DOE, provided that DOE's liability, including such legal costs, shall not exceed the amount set forth in section 170e.(1)(B) of the Act in the aggregate for each nuclear incident or precautionary evacuation occurring within the United States or \$100 million in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.

(2) The public liability referred to in subparagraph (d)(1) of this clause is public liability as defined in the Act which (i) arises out of or in connection with the activities under this contract, including transportation; and (ii) arises out of or results from a nuclear incident or precautionary evacuation, as those terms are defined in the Act."

The DOE indemnity agreement with DCS provides full protection and coverage for public liability arising out of the construction and operation of the MFFF.

3. PROTECTION OF CLASSIFIED MATTER

Duke Cogema Stone & Webster (DCS) will submit its standard practice procedures plan for the protection of classified matter along with the balance of the license application for possession and use of special nuclear material. At the present time DCS is handling classified matter in accordance with applicable U.S. Department of Energy (DOE) requirements.

DOE has rendered a favorable foreign ownership, control, or influence (FOCI) determination of DCS as discussed in Section 1.2.1.

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